

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CIVIL NO. 12-257 (JB-JFG)

LARRY A. GOLDSTONE,
CLARENCE G. SIMMONS, III, and
JANE E. STARRETT,

Defendants.

**DECLARATION OF GREGORY A. KASPER IN OPPOSITION TO
DEFENDANTS' MOTIONS TO DISMISS**

I, Gregory A. Kasper, make the following declaration under penalty of perjury pursuant to 28 U.S.C. § 1746:

1. I am an attorney for the Plaintiff United States Securities and Exchange Commission, am licensed to practice law in the State of New York, and on March 27, 2012 I was duly admitted and qualified to practice as an attorney in the United States District Court for the District of New Mexico.

2. I have personal knowledge of the facts set forth herein and, if called as a witness, I could and would testify competently thereto.

3. Attached hereto as Exhibit A is an email from Stephen C. McKenna to Jessica Kurzban and Gregory Kasper, copying others, dated May 3, 2012, with attachment.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed this 28th day of July, 2012

s/ Gregory A. Kasper

EXHIBIT A

Kasper, Gregory

From: McKenna, Stephen C.
Sent: Thursday, May 03, 2012 5:45 PM
To: Kurzban, Jessica; Kasper, Gregory
Cc: Lee, Randall; Valentine, John; Marks, Jerry L.; Liubicic, Robert; Li, Patty; Schlesinger, Alisa
Subject: RE: SEC v. Goldstone -- Joint Status Report and Provisional Discovery Plan
Attachments: Joint Status Report and Provisional Discovery Plan (Defendants additions May 2).doc

Thank you. Our comments are in the attached. Please provide your respective exhibits and we will file tomorrow.]

From: Kurzban, Jessica [<mailto:Jessica.Kurzban@wilmerhale.com>]
Sent: Thursday, May 03, 2012 5:39 PM
To: McKenna, Stephen C.; Kasper, Gregory
Cc: Lee, Randall; Valentine, John; Marks, Jerry L.; Liubicic, Robert; Li, Patty; Schlesinger, Alisa
Subject: RE: SEC v. Goldstone -- Joint Status Report and Provisional Discovery Plan

Hi Steve and Greg, this is to confirm that Defendants agree to Plaintiff filing the JSR tomorrow instead of today. Please do send us a copy of the final version to review before filing. Thanks.

From: McKenna, Stephen C. [<mailto:McKennaS@SEC.GOV>]
Sent: Thursday, May 03, 2012 7:02 AM
To: Li, Patty; Kasper, Gregory
Cc: Lee, Randall; Valentine, John; Kurzban, Jessica; Marks, Jerry L.; Liubicic, Robert
Subject: RE: SEC v. Goldstone -- Joint Status Report and Provisional Discovery Plan

Thank you. We will get back to you shortly.

From: Li, Patty [<mailto:Patty.Li@wilmerhale.com>]
Sent: Wednesday, May 02, 2012 5:56 PM
To: McKenna, Stephen C.; Kasper, Gregory
Cc: Lee, Randall; Valentine, John; Kurzban, Jessica; Marks, Jerry L.; Liubicic, Robert
Subject: SEC v. Goldstone -- Joint Status Report and Provisional Discovery Plan

Counsel,

Attached please find Defendants' additions to the Joint Status Report. A blackline showing changes made to the original version is attached. Please let us know if you have questions or comments, and please be sure to circulate a final version for approval before filing. We will send you Exhibits 2 and 3 (our initial disclosures) tomorrow.

Thanks,

Patty

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Defendants.

JOINT STATUS REPORT AND PROVISIONAL DISCOVERY PLAN

Pursuant to FED. R. CIV. P. 26(f), a telephonic meeting was held on April 19, 2012 and was attended by:

Stephen C. McKenna and Gregory Kasper for Plaintiff Securities and Exchange Commission ("SEC");

Randall R. Lee, John A. Valentine, Jessica F. Kurzban, and P. Patty Li, of Wilmer Cutler Pickering Hale and Dorr LLP, for defendants Larry Goldstone and Clarence Simmons; and

Jerry L. Marks and Robert J. Liubicic, of Milbank, Tweed, Hadley & McCloy LLP, for defendant Jane Starrett (together with Larry Goldstone and Clay Simmons, "Defendants").

NATURE OF THE CASE

This is an SEC enforcement action against three individuals arising from statements made in and immediately following the filing of the Form 10-K for Thornburg Mortgage, Inc. ("Thornburg") on February 28, 2008. Plaintiff's complaint, filed on March 13, 2012, alleges that Larry A. Goldstone, Thornburg's chief executive officer, Clarence G. Simmons, III, its chief

financial officer, and Jane E. Starrett, its chief accounting officer, knowingly or recklessly made materially misleading statements or omissions concerning Thornburg's financial condition, margin call activity, and available liquidity in the Form 10-K, in subsequent public statements, and in statements to Thornburg's auditors, and/or engaged in a scheme to defraud. The Complaint asserts claims for violation of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77q(a)] and Sections 10(b), 13(a), 13(b)(2), 13(b)(5), and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2), 78m(b)(5), and 78t] and Rules 10b-5, 12b-20, 13a-1, 13a-14, 13b2-1, and 13b2-2 thereunder [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1, 240.13a-14, 240.13b2-1, and 240.13b2-2].

AMENDMENTS TO PLEADINGS AND JOINDER OF PARTIES

Defendants intend to file motions to dismiss on or before **May 14, 2012**.

The parties should be allowed until **November 1, 2012** (120 days before the earliest date for the close of fact discovery) to move to amend the pleadings and/or join additional parties in compliance with Fed. R. Civ. P. 15(a).

STIPULATIONS

The parties hereby stipulate to the following:

1. The United States District Court for the District of New Mexico has jurisdiction over the parties and the subject matter.
2. Venue is properly laid in this District.